

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BOONE COUNTY WATER)	
DISTRICT FOR APPROVAL TO REFINANCE)	
REVENUE BONDS THROUGH THE ISSUANCE)	CASE NO. 2004-00370
OF REFUNDING REVENUE BONDS IN THE)	
APPROXIMATE AMOUNT OF \$1,975,000)	

ORDER

On September 21, 2004, Boone County Water District ("Boone District") applied to the Commission for the authority to issue bonds in the principal amount of \$1,975,000. Boone District estimates that its Water District Refunding Revenue Bonds, Series 2004 ("2004 Refunding Bonds") will have a 14-year term with interest rates varying from 2.0 to 4.0 percent per annum.

The proceeds of the 2004 Refunding Bonds will be used to refinance the Boone District Water Refunding Revenue Bonds, 1993 Series A ("1993 Refunding Bonds") with an outstanding principal balance of approximately \$1,890,000. Boone District estimates that its proposed refinancing will result in total gross savings and net present value savings of \$114,000 and \$94,000, respectively.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Boone District's proposal to obtain the 2004 Refunding Bonds, as described herein, for the purpose of refinancing its 1993 Refunding Bonds is for a lawful object within its corporate purpose, is necessary, appropriate for and

consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Boone District is authorized to obtain the 2004 Refunding Bonds for the purpose of refinancing its 1993 Refunding Bonds, but only under such terms and conditions that will produce both positive gross savings and net present value savings from the refinancing.

2. If the actual terms and conditions of the 2004 Refunding Bonds differ from those set forth in the application, Boone District shall, within 30 days of obtaining the loan authorized in this proceeding, file with the Commission amortization schedules and workpapers showing the actual gross savings and net present value savings that result from the refinancing.

3. Boone District shall, within 30 days of obtaining the 2004 Refunding Bonds authorized herein, file with the Commission a statement in this proceeding setting forth the date the 2004 Refunding Bonds was executed, the actual interest rate(s), and the principal amount.

4. The proceeds from the transaction authorized herein shall be used only for the lawful purposes specified in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 20th day of October, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director